|  |
| --- |
| Toadies, Inc., has identified an investment project with the following cash flows. |

|  |  |  |
| --- | --- | --- |
| Year |   | Cash Flow |
|   | 1 |   |   | $ | 1,400 |   |
|   | 2 |   |   |   | 1,520 |   |
|   | 3 |   |   |   | 1,605 |   |
|   | 4 |   |   |   | 1,655 |   |
|  |

|  |
| --- |
| If the discount rate is 9 percent, what is the future value of the cash flows in year 4? **(Do not round intermediate calculations and round your final answer to 2 decimal places. (e.g., 32.16))** |

|  |  |
| --- | --- |
|   Future value | $    |

|  |
| --- |
| If the discount rate is 10 percent, what is the future value of the cash flows in year 4? **(Do not round intermediate calculations and round your final answer to 2 decimal places. (e.g., 32.16))** |

|  |  |
| --- | --- |
|   Future value | $    |

|  |
| --- |
| If the discount rate is 25 percent, what is the future value of the cash flows in year 4? **(Do not round intermediate calculations and round your final answer to 2 decimal places. (e.g., 32.16))** |

|  |  |
| --- | --- |
|   Future value | $    |

|  |
| --- |
| Wainright Co. has identified an investment project with the following cash flows. |

|  |  |  |
| --- | --- | --- |
| Year |   | Cash Flow |
|   | 1 |   |   | $ | 780 |   |
|   | 2 |   |   |   | 1,050 |   |
|   | 3 |   |   |   | 1,310 |   |
|   | 4 |   |   |   | 1,425 |   |
|  |

|  |
| --- |
| If the discount rate is 8 percent, what is the present value of these cash flows? **(Do not round intermediate calculations and round your final answer to 2 decimal places. (e.g., 32.16))** |

|  |  |
| --- | --- |
|   Present value | $    |

|  |
| --- |
| What is the present value at 17 percent? **(Do not round intermediate calculations and round your final answer to 2 decimal places. (e.g., 32.16))** |

|  |  |
| --- | --- |
|   Present value | $    |

|  |
| --- |
| What is the present value at 25 percent? **(Do not round intermediate calculations and round your final answer to 2 decimal places. (e.g., 32.16))** |

|  |  |
| --- | --- |
|   Present value | $    |

|  |
| --- |
| The appropriate discount rate for the following cash flows is 7.48 percent per year. |

|  |  |  |
| --- | --- | --- |
| Year |   | Cash Flow |
|   | 1 |   |   | $ | 2,500 |   |
|   | 2 |   |   |   | 0 |   |
|   | 3 |   |   |   | 3,940 |   |
|   | 4 |   |   |   | 2,190 |   |
|  |

|  |
| --- |
| What is the present value of the cash flows? **(Do not round intermediate calculations and round your final answer to 2 decimal places. (e.g., 32.16))** |

|  |  |
| --- | --- |
|   Present value | $    |

|  |
| --- |
| You are planning to save for retirement over the next 25 years. To do this, you will invest $880 a month in a stock account and $480 a month in a bond account. The return of the stock account is expected to be 10.8 percent, and the bond account will pay 6.8 percent. When you retire, you will combine your money into an account with a 7.8 percent return. |
|   |
| How much can you withdraw each month from your account assuming a 20-year withdrawal period? **(Do not round intermediate calculations and round your final answer to 2 decimal places. (e.g., 32.16))** |

|  |  |
| --- | --- |
|   Withdrawal | $  per month   |

|  |
| --- |
| If you deposit $5,600 at the end of each of the next 20 years into an account paying 10.80 percent interest, how much money will you have in the account in 20 years? **(Do not round intermediate calculations and round your final answer to 2 decimal places. (e.g., 32.16))** |

|  |  |
| --- | --- |
|   Future value | $    |

|  |
| --- |
| How much will you have if you make deposits for 40 years? **(Do not round intermediate calculations and round your final answer to 2 decimal places. (e.g., 32.16))** |

|  |  |
| --- | --- |
|   Future value | $    |